"Creative industries," neoliberal fantasies, and the cold, hard facts of global recession: some basic lessons

by Chuck Kleinhans

Author's note: This article should be read in conjunction with Jyotsna Kapur's, "Let them eat cake! neoliberalism and the ideology of the aesthetic," in this issue of Jump Cut. Also in this issue, I've written a resource piece on Media Art and Economics that surveys the recent critical growth and development of the subject and details some things mentioned here in passing.

Overture: neoliberalism in your face

In Fall 2010 the long running Fox TV show *The Simpsons* began one episode with a two minute opening sequence <u>revised by the street artist Banksy</u>.[1] [open endnotes in new window]

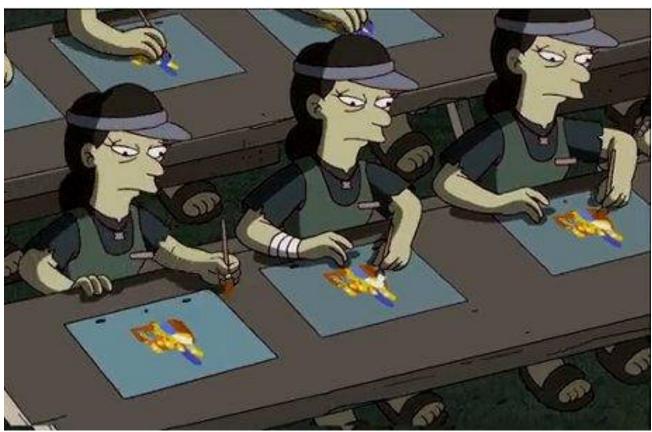


Several usual scenes are trimmed out, and a few are changed, such as Bart writing all over everything in his after-school detention for graffiti.



When the family assembles to watch TV at home, a new space opens up, revealing the behind the scenes manufacturing of *The Simpsons*. With a change from the bright upbeat music that accompanies the family assembling, we hear a dirge and see a dismal hellish factory where workers slave away at making the shows cel animation frames.





Children are exploited working with toxic chemicals.



Live cats tossed into a wood chipper make the fur stuffing for Simpsons' toy dolls.



And a unicorn is chained up and starved while his horn serves to make the hole in DVDs of the show.



The camera pulls back to reveal the location of the underground sweatshop: a 20th Century Fox prison.



Banksy's nightmare vision of globalized "creative industry" manufacturing serves as a bitter ironic comment on offshore labor in the arts. But it also combines the iconic horrors of late 18th and 19th century "dark Satanic Mills,"[2] with today's popular imagination of child labor, animal abuse, and pitiless exploitation in the developing world. *The Simpsons*' animation labor is actually done in South Korea, while the "creative" work is done in the United States. Aksom, the Korean animation company, has responded that its workers have clean, efficient, digital workspaces in downtown Seoul and are well-paid by Korean standards.[3] (They are paid one-third of what U.S. people doing the same job would be paid.)

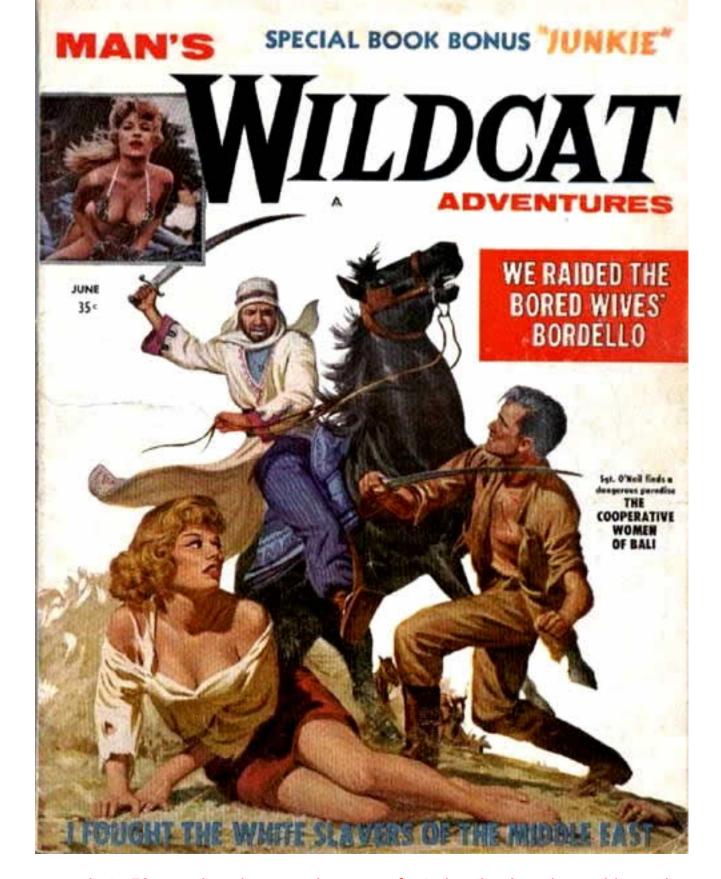
Banksy's imagination touches on some of the best-known aspects of global capitalism's miseries: symptoms of a deeper set of conditions and a political-economic policy of neoliberalism. As a social and moral philosophy as well as a set of economic and governmental practices,

neoliberalism — with its standard claims of freeing of the market while, in fact, accelerating the exploitation of humans — describes contemporary global capitalism.

Capitalism: hard facts in tough times

Let me tell a true story. It illustrates a key point in what follows and is foundational to the rest of my analysis. The story: in Ronald Reagan's early years as President, the country experienced a severe economic recession. I was visiting New York City and met up with an old professional acquaintance. In the late 1960s and early 70s this woman worked as a filmmaker in San Francisco. There, at a time of changing censorship, she found a niche market shooting 16mm hardcore pornography, locally produced and locally exhibited in little storefront porn theatres. The bill changed weekly to keep the regular customers coming back (pun intended). So there was a steady need for making quickie films. Being able to work quickly and cheaply was not just a plus but essential to remaining in business. Later she decided to go to grad school in film, received a Ph.D. and published her dissertation as a significant book in the field. However, she had not secured a regular tenured academic position. It wasn't clear to me that she really wanted that. As an adept experienced filmmaker, she tried making a living as an occasional film/video editor in NYC. Clearly she enjoyed living in a big city.

Having left academe and already familiar with the porn world, she ended up working as a writer/editor for several downscale porn publications: "men's magazines" to use the then-current euphemism. By that time, these periodicals had descended from the old *Playboy* model of nude glamour pictures mixed with lifestyle features, respectable fiction, and nonfiction. [4] The new norm centered on the Larry Flynt *Hustler* franchise, featuring increasingly explicit and sexualized depictions of women's bodies mixed with gross-out humor. The publications my friend worked on were at a cutrate end. Mostly the layout was just photos of bare babes and their private parts printed rather cheaply on a fairly porous paper. (Hustler had the pretension of using high quality paper stock and excellent printing with a glossy hard finish, nicely bound.) Even within this low end of the porn market, there was product differentiation. While showing me some copies of recent issues, she explained that recently she had been promoted to editor of several magazines. She now had the innovative idea of returning to the post WW2 men's magazine which combined sexy glamour babes (now completely undressed with genital display) along with violent action/adventure.



Late 50s men's pulp magazine cover featuring the American white male adventurer set on rescuing/protecting the captive white woman from the menace of "Arab" harems: "I fought the white slavers of the Middle East." Wildcat Adventures printed an excerpt of William Burroughs' first novel, Junkie. For more info, see the excellent blog, www.menspulpmags.com.

However, just as this new career opportunity opened up, and her excitement about doing something new and implementing her ideas skyrocketed, it came crashing down. The publications went out of business. The market was contracting; she was out of a job. The main reason for this had to do with the market and consumption. People (obviously mostly men) were not buying as much pornography as in the 1970s. In a severe recession, rather than buying the newest thing, people tend to get along with what they already have: you get the car repaired rather than buying a

new one; you wear the clothes you have rather than purchasing a new season's wardrobe; and (in the pre-internet era) you hang on to the collection of pornography you have rather than getting the newest magazines. Even the fact that these magazines had a price point advantage (some consideration in a recessionary economy with high inflation) didn't help.

With the drop in newsstand sales and reduced ad revenue, the publisher decided it was better to cut losses and end the publications than to try to weather the storm. My friend lost her job. While this was the immediate cause, it was only at this point that she found out the larger picture. The actual owner was not the magazine publisher as she thought, but an international company that mostly operated abroad. The core of that capitalist project was that they had secured the rights to cut down huge forests in the Philippines. The resulting timber was turned into paper. Originally it was profitable to turn that paper into porn magazines for sale in the United States. But as the market changed, it turned out that more money could be made by transforming the product into toilet paper for the Japanese market. The executive decision was made: drop the porn magazines; ramp up the ass wipes.

There are some interesting lessons here. First is that in the marketplace both commodities (porn and toilet paper) are connected to commonplace activities involving human private parts. With porn, representations for a male audience; with toilet paper, practical body use, primarily for women (since women consume more toilet paper than men). Second is that capitalism thrives on imperial conquest (while exploiting a natural resource of the Philippines, the company was not a Philippine company) and along the way produces environmental destruction and global warming as a side effect of unregulated accumulation. And third, it is the nature of capitalism to change forms: the capitalist corporation in this case simply sought to maximize profit, to do as much as it could with the resource of which it had taken control. What nation was the source of the wealth was unimportant, what nation was the final market was irrelevant, what marketable product was produced was insignificant — the only thing that mattered was that capital could be more efficiently expanded.

The big lesson here, especially for communications and media folks, is that we need to understand capitalism from the point of what it is fundamentally about. And that is not about specific services, products, or ideological representations (what we usually study), but about expanding and maximizing capital itself. We should not give up analyzing products, services, and ideologies, but we need to see the material foundation of the larger system of circulation.

Thus my friend, a classic "creative industry" worker, lost her day job and had to patch together short term jobs editing video and picking up some adjunct teaching of media making skills. She became a flexible citizen in

the middle of a recession: without healthcare, without job security, put in the position of having to cobble together a livelihood from her toolkit of skills. It's not so much different than the situation many of us face today, 30 years later. This is to say that *precarity*, an economically precarious life, is a familiar condition for many of my readers, even if they are not fully aware of it. In fact, students are one group that actually often pays money (tuition) to be super-exploited in "student internships" and "student apprentice" programs.[5]

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Precarious times

The term "precarity" has come to refer to insecure employment in the neoliberal era. Precarious work describes non-standard employment that is poorly paid, insecure, unprotected, and that cannot support a household. In European policy discussions, the term "atypical work" is often used; in the U.S. we're more likely to hear terms such as "casual labor," "flexible work," "temporary labor," "contingent labor," "part-time," "adjunct," "intermittent work," "freelance," "self-employment," and "home-based work." And for out-of-work executives, "consulting." The vast majority of such workers work for low wages, on a temporary basis, without benefits and pensions, and are often (in the best of times) immigrants, and/or undocumented, and especially women. In the worst of times, with high unemployment, the formerly middle class gets pulled in. Service work is often and typically precarious. In the United States, without universal ("single payer") healthcare, and with severely limited unemployment benefits, precarity is much more precarious than in Europe.

Globally, the increase in precarious labor is often linked to globalization, information technology, and shifts from manufacturing to service economies. However, we need to be careful here. Precarity is not a necessary result of these changes. Rather, it is a deliberate policy and aspect of neoliberalism in its relation to the labor force. Such a policy aims to make the situation of owners, of capitalists, of employers (even non-profits like many colleges) more flexible. Rather than full-time, continuous work, of indefinite duration, protected by labor unions and government regulations, with standard hours, social benefits, and a social wage (that is one that allows you to support a family), precarious work goes in the other direction. Even the core labor force falls prey to this kind of insecurity, with deunionization (such as the recent attempt in Wisconsin and other states to end public employee collective bargaining), cutting of pension and healthcare guarantees, and deregulation.

Somewhat new is the increasing inclusion of information or creative industry workers in the precarious category. While everyone has heard of the decline in print newspaper circulation and revenues, fewer realize that jobs in journalism have drastically declined. And they have not been picked up in the New Media sector, which has also shed regular jobs while trying to change to amateur or volunteer labor for content.[6] [open endnotes in new window] Even when precarious workers are paid, they make far less

than what a regular employee does and they have no job security. For example, some of the most poorly paid high-school graduates in the United States are graduate students working as teaching assistants, as well as ABDs and PhDs who work as adjunct teachers on a semester by semester basis. The deliberate erosion of tenure and tenure track positions in U.S. higher education (now only about one-fourth of all teaching is done by "regular" faculty) gives employers maximum flexibility and classroom teachers the most tenuous employment possible.

Creative workers and creative environments

When I first thought of this article, I had a fairly clear idea how it would proceed. I wanted to take a very skeptical look at much of the "creative industries" hype. By that I mean especially the sales pitch/ideology that the information and new media industries in capitalist countries are a pathway to national economic advancement and provide the resourceful and satisfying creative jobs that we should be training our students to handle. I thought that it would be interesting to see how that mantra, that's been active in the United States for the past 10-15 years, compares to what actually happened when the 2008 Great Recession hit. I thought I'd be able to come up with a good set of data to challenge the notions of authors such as Richard Florida, who writes at the more public and popular end and John Hartley, involved at the more academic and university administrative end, who posit that encouraging the "creatives" was the best approach to future prosperity.

But as I looked into employment figures (and unemployment figures) related to the U.S. version of the Recession, I realized I couldn't really get very far in terms of an empirical analysis.[7] Part of this is due to the particular way "creative industries" are marked off by economics and labor. In Britain, where the pioneering work on the concept has been done, the category covers design, advertising, theatre, dance, music, visual arts, creative writing, crafts, plus museums and galleries. On the ministerial level it also includes leisure, entertainment, tourism and heritage industries, and sports. The situation in the UK, in particular, is quite different because throughout the 1990s to the present, "creative industry" has been a government-established, recognized, and practiced category for government policy and administration. In the United States, in contrast, the terms "creative industries" and "culture industries" are rarely used outside academic circles. The term "creative economy" does appear in some policy discussions and documents on a local and sometimes regional level. The most far-reaching use I've found is a plan for the State of Colorado.[8] In other cases, the terms "information economy," and "intellectual property" are the common framing concepts and cover the effort to control and efficiently commodify creative material, especially in its intangible forms.

If we look at the large categories of the U.S. Bureau of Labor Statistics for the United States in relation to unemployment during the Great Recession, we find that the largest areas of job loss are construction (1.9 Million), manufacturing of durable goods (1.6 M), professional and business services (1.5 M), retail trade (1.1 M), financial activities (628 K), and so forth, with information losing about 300 K jobs. In fact the only growth areas were government (200 K) and education and health services (883 K). At the time of writing (last spring 2011) the reduced revenue flow hit state and local governments hard. Otherwise-essential jobs such as police, fire and emergency responders, teachers, and so forth have been downsized or are facing immanent reduction. Along with this, many communities report increased crime. Homelessness expands as mortgage foreclosure increases and social services for the most vulnerable decline.

In general, the current recession began by first hitting industrial jobs, where men predominate, and only more recently service and administrative jobs, where women are more prevalent. To refine this a bit more, the advertising and media industry cut about 10% of its jobs since the recession began in December 2007. Newspapers cut the most jobs (as we pretty well know), but so did media companies (112 K), advertising/marketing services (76 K), radio, magazines, and broadcast TV. The only growth was in cable (added 3%) and Internet media companies (added 7%). For a longer view, since the beginning of the Millennium in 2000, the entire advertising and media industry has lost about 20% of the jobs it had at the turn of the century.

In short, then, because of the way labor and employment data is collected in the United States, it's hard to break down employment by actual job types. Thus the decline in media employment includes not just the "creatives" but also the security personnel, clerks and bookkeepers, and other employees. Were there fewer jobs for web designers or video editors? The simple answer seems to be "yes, but." In-house designers were likely to be cut, with temps hired for short-term projects. Outside subcontractors who might take over the necessary work typically pay much lower wages and offer no direct benefits such as healthcare. Some of the work can be offshored, with people in the Philippines or India doing the work at a fraction of the cost.[9] At the same time, with constantly changing hardware and software development, designers or video editors are pushed to spend a great deal of time learning the newest, constantly changing tools, at their own expense. In contrast to the previously dominant system of employers conducting their own on-the-job training, or paying for special and specialized courses, or assuming employees would be paid during a apprenticeship leading to full career employment (practices still familiar in the military, police, and some civil servant jobs), corporations have shifted the burden for training to the individual, or to programs in schools. The burden then falls on the employees to pay tuition and maintain their living while upgrading their skills to get a better job or to just keep their present job. Increased unemployment typically results in

increased enrollments in higher education as people who've lost their jobs hope to gain more salable skills in the interim, awaiting economic recovery. Taxpayers are expected to keep the instructional institutions running. And students are expected to debt-finance their education.

Speedup and creative jobs

Speedup was the common term in traditional manufacturing to describe the technique of the employers increasing productivity by increasing the pace of an assembly line. It can also be applied to an employer's forcing increased productivity on creative or intellectual workers in less mechanical but still effective ways.

Personal computers and mobile devices make it easier for employers to expect or demand 24/7 availability. Whereas in the past it was assumed that only the most crucial professionals such as surgeons would have to expect their family or leisure time to be interrupted by an emergency call, today a creeping intrusion creates the expectation that creative workers should be putting in additional hours outside of the office. But why do workers go along with such speedup? In part their acquiescence is a response to management's creation of a "crisis" atmosphere. A fiscal crisis is announced, some cutbacks such as letting staff go, not filling vacancies, closing or decreasing the funding for departments and programs, and so forth create a climate of fear and anxiety. People hope to keep their job, even if others are losing theirs. Work harder, show you are a team player, increase productivity. Of course there is a cost: as productivity rises, wages do not keep up.

This pattern also contributes to a dialectic of personal concerns interwoven with institutional constraints. In a well-known study, the Dutch economist (and artist) Hans Abbing asks, Why Are Artists Poor? He points out that the economy of the arts defies one of the basic postulates of mainstream economics. Orthodox economics would assume that individual laborers would choose to leave a field if they couldn't make a good living. As indeed we see with internal and global labor migration, career changes often follow when jobs are outsourced or technological change makes some work redundant. But by and large artists don't follow this logic. They tend to continue in their artistic activities, though they might need to supplement their income with additional jobs or have a day job to support their art making, performing, etc. In the large overview, the whole art sector is often subsidized (particularly in Europe) which allows for maintaining a relatively large group of underpaid artisans. Why are artists the exception to the stern rule of labor economics? As Abbing's research shows, they largely find the activity so personally satisfying that they are willing to trade economic security and success (except for a small number of celebrity artists at the top of the pyramid). This applies not only to visual artists, but also to musicians, writers, actors, and other artists. The satisfaction of

doing what you like doing is so strong that many will forego job security, a higher level of income, and a more stable lifestyle for the freedom of creative self-determination.

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Heroes and collectives: a visual essay



The Social Network neatly finesses its hero's transformation from creative genius to world's youngest multibillionaire by providing the Winklevoss Twins as ridiculous self-important Harvard snobs: perfect foils for Mark Zuckerberg's deceit.



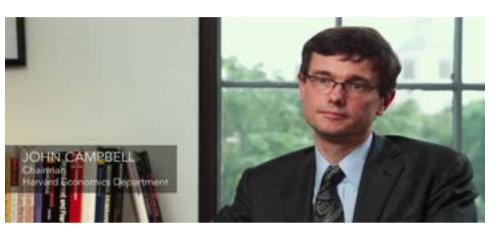
While the twins provide comic relief, Zuckerberg's business partner, Eduardo Saverin, finds his share in Facebook made virtually worthless. He violently confronts Zuckerberg, who seems to have no sympathy for or understanding of Saverin's rage.



Since lack of demonstrated empathy for others is a diagnostic marker for Asperger's Syndrome, there's been an active discussion in the Asperger's community as to whether or not Zuckerberg fits. (In addition to lack of emotional reciprocity, other markers are restricted and repetitive interests, and intense focus.) Some reports claim that actor Jesse Eisenberg studied Asperger's Syndrome in preparation for the role.



In the film's conclusion, a young lawyer tries to explain to an uncomprehending Zuckerberg that he needs to think of financial settlements as the cost of doing business. A business hero for our time? High functioning autism as useful in neoliberal capitalism?



Continuing the trend of making Harvard seem like the vortex of clueless elitism, in *Inside Job*, a documentary on the financial collapse, at this point detailing the close links of government economics policy makers, prestigious academic economists, and the major financial companies:



• John Campbell, Chairman, Harvard Economics Department: Umm...not to my knowledge.

• Interviewer: Do you require people to report the conpensations they've received from outside activities?

Campbell: No.

• Interviewer: Don't you think that's a problem?

Campbell: I don't see why.

 Interviewer: Martin Feldstein being on the board of AIG, Laura Tyson going on Morgan Stanley, Larry Summers making \$10 million a year consulting to financial services firms...irrelevant?

• Campbell: Yeah, basically irrelevant."



In Ironman, the genius weapons engineer and entrepreneur has practical skills to build whatever he can imagine.



Captured in Afganistan, the inventor-hero is forced to build a weapon but turns the tables on his captors by turning himself into a weapon: the beta version of Ironman appears.

Later, given the full resources back home, he produces the fully operational version of the Ironman suit, taking out his, and the United States' enemies single-handed.

On the other hand, some films provide satisfying fantasies about the power of collective action...



... For example, rather than the individual lone genius, *Toy* Story 3 presents a narrative of collective action enabling the toys to overcome rejection, exploitation, adversity, and potential destruction by banding together and using their collective wits and skills.



In another genre, *Machete* concludes with a collective resistance to corrupt politicians, criminal police, and racist Good OI Boy vigilantes when Mexican Americans and undocumented Mexican workers rise up together to demolish the exploitative power structure. The almost mythological hero Machete leads low riders to the final battle of good and evil.



Following the vehicles' first wave assault on a white supremacist compound, otherwise "invisible" undocumented Mexicans join the fray with the tools of their trade: knives for kitchen workers, rakes and shovels for gardeners, power tools for construction workers, and so forth.



Even the ambulatory ice cream cart vendor joins the struggle. La Raza dramatizes its collective power in responding to Machete's call for action.

These disparate films indicate there's another set of fantasies too that compete for the space in our heads, and I'd like to point that out as a marker of resistance. That's the fantasy of collective action by the dispossessed, who, acting together for the survival and common good manage to turn the tables on the powerful, the corrupt: that's the terrain of *Toy Story 3*, with the band of misfits and rejects and over-the-hill toys finally triumphing. Or Robert Rodriguez's *Machete*, with the undocumented and their partners and supporters overthrowing the racists, the capitalists (both corporate and drug cartel types) and corrupt politicians who are trying to keep them down. We need those myths too, even if we also know that the slogans are not sufficient. Especially after "Obama: Change We Can Believe In" has worn very thin indeed. We need to look behind the screen, behind the visible if intangible form of our creative culture, and bring it back to understanding capitalism itself, and from there, how we might effectively challenge it and change it.

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Notes

This piece reflects many conversations over the years with different folks. Jyotsna Kapur's passionate concern with social and economic justice in art and media work has kept me in dialogue with her about this for years. A terrific organizer of adjunct academics, John Hess, taught me about academic labor from his experience and example. Julia Lesage's many years of making media in, around, and in spite of higher education and a decade-long stretch of irregular employment provided a bedrock understanding of key issues. Gathering information as I was shaping the essay and the Resource piece benefited from advice and references by John Caldwell, Toby Miller, Rick Maxwell, Alisa Perren, Jennifer Holt, Bill Bleich, Larry Knapp, and Janet Wasko. Conversations about *The Social Network* with Jon Lewis and Jeffrey Skoller gave me new ideas. The deeper background structure to this essay rests on decades of observing and knowing artists, intellectuals, and academics — especially my former students — negotiating the cultural industry system.

- 1. http://www.youtube.com/watch?v=DX1iplQQJTo
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- 2. William Blake's poem, "And did those feet in ancient time."
- 3. http://www.geekosystem.com/ simpsons-korean-animators-working-conditions/

A South Korean animated cartoon featuring "Pororo," a penguin, was tentatively blocked from US distribution not because of labor conditions, but because some of the labor had been outsourced to North Korea and the U.S. bans imports from the North. After review, the cartoon was allowed import.



4. Hugh Hefner's *Playboy* began the 1950s genre of "bachelor magazines," using slick paper and upwardly mobile lifestyle topics combined with the earlier "girlie pinup" genre photos. Aimed at a middle class or middle class aspirant young male readership, bachelor magazines contrasted with another genre, men's adventure magazines (aka men's pulps). Eliminating of the rough macho masculinity of fisticuffs, private eyes who shot their enemies, and swaggering bravado on the battlefront or barroom, was Hugh Hefner's key change in the men's magazine tradition. *Playboy* was targeted at young men who liked things like jazz, sports cars, well-made sport clothing, expensive liquor and hi-fi equipment, attractive well-groomed women, and so forth as opposed to boxing, strip tease, cheap cigars, beer, and floozies.

5. "A striking case of unjust, unpaid labour in the media industries is the internship system. It is increasingly difficult to enter the media and media-related industries in advanced industrial countries without having performed, at some point, a significant period of unpaid work. The fact that young people are willing to do this is a product of the desirability of creative labour, and the over-supply of workers.... The use of such young people performing unpaid labour also depresses wages for workers in the cultural industries. Furthermore, it has a serious impact on which kinds of people are likely to be able to gain entry to the media industries. Young people from wealthy families are much more likely to be able to afford sustained periods without pay. Increasingly, internships are provided as part of media education degrees. Of course many young people want to carry out such internships. But they benefit companies at the expense of time that young people might be spending exploring ideas and broadening their intellectual horizons..." Hesmondhalgh, 2010, p. 276.

6. Recent examples were highlighted by the sale of the online *Huffington Post* which exposed how much unpaid labor was involved in the site's content. See for a start: Sam Gustin, "AOL, Huffington Post Seek Another 8,000 Free Bloggers," April 27, 2011, at wired.com.

http://www.wired.com/epicenter/2011/04/write-for-free/

The attempt by major new organizations such as the *NY Times* to crowdsource examination of the Sarah Palin gubernatorial emails was another example: amateur enthusiasts would replace skilled paid journalists in sifting through the documents.

http://thecaucus.blogs.nytimes.com/2011/06/09/ help-us-investigate-the-sarah-palin-e-mail-records/

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- 7. I'm sure I could get the information eventually with a lot of help from someone who is expert in deciphering government data sources, but the task is daunting. More knowledgeable people I asked suggested various workarounds such as unions and craft guilds. I discuss this with more detail in the annotated resources bibliography on Media Art and Economics in this issue.
- 8. A useful summary: http://www.com/public_html/docs/fs188.html
 The full report can be tracked down, along with contexting information at: http://www.coloarts.state.co.us/
- 9. Editorial work for some US and European newsrooms is now done partly by workers in India; reported in Toby Miller, "My Global Financial Crisis," *Journal of Communication Inquiry*, (2010): 34(4) 436. A Philippine blogger reports digital outsourcing can buy 4 or 5 local talents for the salary of one U.S. based employee doing the same job. Luis Buenaventura, "Sweatshop Blogging Economics," on Guttervomit, http://guttervomit.com/2008/04/08/sweatshop-blogging-economics/
- 10. "The Reviving Downtowns," *Wired*, June 2011, 134-5. [return to page 3]

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